

ORDINANCE NO. 21-2305

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HSI WORKPLACE COMPLIANCE SOLUTIONS, INC., FOR CONSULTING SERVICES RELATED TO THE NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION ("NERC") COMPLIANCE FOR THE CITY OF DENTON AS SET FORTH IN THE CONTRACT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 7693 – PROFESSIONAL SERVICES AGREEMENT FOR CONSULTING SERVICES AWARDED TO HSI WORKPLACE COMPLIANCE SOLUTIONS, INC., IN THE TWO (2) YEAR NOT-TO-EXCEED AMOUNT OF \$280,000.00).

WHEREAS, HSI Workplace Compliance Solutions, Inc., the professional services provider (the "Provider") set forth in this ordinance, is being selected as the most highly qualified on the basis of its demonstrated competence and qualifications to perform the proposed professional services; and

WHEREAS, the fees under the proposed contract are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees published by the professional associations applicable to the Provider's profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager, or their designee, is authorized to enter into the professional service contract attached hereto with HSI Workplace Compliance Solutions, Inc., for consulting services related to the North American Electric Reliability Corporation ("NERC") compliance for the City of Denton.

SECTION 2. The City Manager, or their designee, is authorized to expend funds as required by the attached contract.

SECTION 3. The City Council of the City of Denton, Texas expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 4. The findings in the preamble of this ordinance are incorporated herein by reference.

SECTION 5. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by Alison Maguire and seconded by Jesse Davis. This ordinance was passed and approved by the following vote [ 7 - 0 ]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	<u>✓</u>	<u>      </u>	<u>      </u>	<u>      </u>
Vicki Byrd, District 1:	<u>✓</u>	<u>      </u>	<u>      </u>	<u>      </u>
Brian Beck, District 2:	<u>✓</u>	<u>      </u>	<u>      </u>	<u>      </u>
Jesse Davis, District 3:	<u>✓</u>	<u>      </u>	<u>      </u>	<u>      </u>
Alison Maguire, District 4:	<u>✓</u>	<u>      </u>	<u>      </u>	<u>      </u>
Deb Armintor, At Large Place 5:	<u>✓</u>	<u>      </u>	<u>      </u>	<u>      </u>
Paul Meltzer, At Large Place 6:	<u>✓</u>	<u>      </u>	<u>      </u>	<u>      </u>


PASSED AND APPROVED this the 2nd day of November, 2021.

  
GERARD HUDSPETH, MAYOR

ATTEST:  
ROSA RIOS, CITY SECRETARY

BY: 

APPROVED AS TO LEGAL FORM:  
MACK REINWAND, CITY ATTORNEY

BY:   
Digitally signed by Marcella Lunn  
DN: cn=Marcella Lunn, o=City of Denton,  
email=marcella.lunn@cityofdenton.com, c=US  
Date: 2021.10.15 11:43:49 -05'00'





Docusign City Council Transmittal Coversheet

RFQ	7693
File Name	NERC Audit Preparation
Purchasing Contact	Christa Christian
City Council Target Date	NOVEMBER 2, 2021
Piggy Back Option	Not Applicable
Contract Expiration	NOVEMBER 2, 2023
Ordinance	21-2305

## **CITY OF DENTON, TEXAS**

### **STANDARD AGREEMENT FOR ENGINEERING RELATED PROFESSIONAL SERVICES**

This AGREEMENT is between the City of Denton, a Texas home-rule municipality ("CITY"), and HSI WORKPLACE COMPLIANCE SOLUTIONS, INC., with its corporate office at 333 West Canal Dr., Suite 210 Kennewick, WA 99336 and authorized to do business in Texas, ("ENGINEER"), for a PROJECT generally described as: NERC Audit Preparation (the "PROJECT").

#### **SECTION 1** **Scope of Services**

- A.** The CITY hereby agrees to retain the ENGINEER, and the ENGINEER hereby agrees to perform, professional engineering services set forth in the Scope of Services attached hereto as Attachment A. These services shall be performed in connection with the PROJECT.
- B.** Additional services, if any, will be requested in writing by the CITY. CITY shall not pay for any work performed by ENGINEER or its consultants, subcontractors and/or suppliers that has not been ordered in advance and in writing. It is specifically agreed that ENGINEER shall not be compensated for any additional work resulting from oral orders of any person.

#### **SECTION 2** **Compensation and Term of Agreement**

- A.** The ENGINEER shall be compensated for all services provided pursuant to this AGREEMENT in an amount not to exceed \$280,000.00 in the manner and in accordance with the fee schedule as set forth in Attachment B. Payment shall be considered full compensation for all labor, materials, supplies, and equipment necessary to complete the services described in Attachment A.
- B.** Unless otherwise terminated pursuant to Section 6. D. herein, this AGREEMENT shall be for a term beginning upon the effective date, as described below, and shall continue for a period which may reasonably be required for the completion of the PROJECT, until the expiration of the funds, or completion of the PROJECT and acceptance by the CITY, whichever occurs first. ENGINEER shall proceed diligently with the PROJECT to completion as described in the PROJECT schedule as set forth in Attachment A.

### **SECTION 3**

#### **Terms of Payment**

Payments to the ENGINEER will be made as follows:

#### **A. Invoice and Payment**

- (1) The Engineer shall provide the City sufficient documentation, including but not limited to meeting the requirements set forth in the PROJECT schedule as set forth in Attachment A to reasonably substantiate the invoices.
- (2) The ENGINEER will issue monthly invoices for all work performed under this AGREEMENT. Invoices for the uncontested performance of the particular services are due and payable within 30 days of receipt by City.
- (3) Upon completion of services enumerated in Section 1, the final payment of any balance for the uncontested performance of the services will be due within 30 days of receipt of the final invoice.
- (4) In the event of a disputed or contested billing, only that portion so contested will be withheld from payment, and the undisputed portion will be paid. The CITY will exercise reasonableness in contesting any bill or portion thereof. No interest will accrue on any contested portion of the billing until mutually resolved.
- (5) If the CITY fails to make payment in full to ENGINEER for billings contested in good faith within 60 days of the amount due, the ENGINEER may, after giving 7 days' written notice to CITY, suspend services under this AGREEMENT until paid in full. In the event of suspension of services, the ENGINEER shall have no liability to CITY for delays or damages caused the CITY because of such suspension of services.

### **SECTION 4**

#### **Obligations of the Engineer**

Amendments to Section 4, if any, are included in Attachment C.

#### **A. General**

The ENGINEER will serve as the CITY's professional engineering representative under this AGREEMENT, providing professional engineering consultation and advice and furnishing customary services incidental thereto.

## **B. Standard of Care**

The ENGINEER shall perform its services:

- (1) with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional license; and
- (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

## **C. Subsurface Investigations**

- (1) The ENGINEER shall advise the CITY with regard to the necessity for subcontract work such as special surveys, tests, test borings, or other subsurface investigations in connection with design and engineering work to be performed hereunder. The ENGINEER shall also advise the CITY concerning the results of same. Such surveys, tests, and investigations shall be furnished by the CITY, unless otherwise specified in Attachment A.
- (2) In soils, foundation, groundwater, and other subsurface investigations, the actual characteristics may vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that could affect the total PROJECT cost and/or execution. These conditions and cost/execution effects are not the responsibility of the ENGINEER.

## **D. Preparation of Engineering Drawings**

The ENGINEER will provide to the CITY the original drawings of all plans in ink on reproducible mylar sheets and electronic files in .pdf format, or as otherwise approved by CITY, which shall become the property of the CITY. CITY may use such drawings in any manner it desires; provided, however, that the ENGINEER shall not be liable for the use of such drawings for any project other than the PROJECT described herein.

## **E. Engineer's Personnel at Construction Site**

- (1) The presence or duties of the ENGINEER's personnel at a construction site, whether as on-site representatives or otherwise, do not make the ENGINEER or its personnel in any way responsible for those duties that belong to the CITY and/or the CITY's construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means,

techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the AGREEMENT Documents and any health or safety precautions required by such construction work. The ENGINEER and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions.

- (2) Except to the extent of specific site visits expressly detailed and set forth in Attachment A, the ENGINEER or its personnel shall have no obligation or responsibility to visit the construction site to become familiar with the progress or quality of the completed work on the PROJECT or to determine, in general, if the work on the PROJECT is being performed in a manner indicating that the PROJECT, when completed, will be in accordance with the AGREEMENT Documents, nor shall anything in the AGREEMENT Documents or this AGREEMENT between CITY and ENGINEER be construed as requiring ENGINEER to make exhaustive or continuous on-site inspections to discover latent defects in the work or otherwise check the quality or quantity of the work on the PROJECT. If the ENGINEER makes on-site observation(s) of a deviation from the AGREEMENT Documents, the ENGINEER shall inform the CITY.
- (3) When professional certification of performance or characteristics of materials, systems or equipment is reasonably required to perform the services set forth in the Scope of Services, the ENGINEER shall be entitled to rely upon such certification to establish materials, systems or equipment and performance criteria to be required in the AGREEMENT Documents.

## **F. Opinions of Probable Cost, Financial Considerations, and Schedules**

- (1) The ENGINEER shall provide opinions of probable costs based on the current available information at the time of preparation, in accordance with Attachment A.
- (2) In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the PROJECT, the ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate PROJECT cost or schedule. Therefore, the ENGINEER makes no warranty that the CITY's actual PROJECT costs, financial aspects, economic feasibility, or schedules will not vary from the ENGINEER's opinions, analyses, projections, or estimates.

## **G. Construction Progress Payments**

Recommendations by the ENGINEER to the CITY for periodic construction progress payments to the construction contractor will be based on the ENGINEER's knowledge, information, and belief from selective sampling and observation that the work has progressed to the point indicated. Such recommendations do not represent that continuous or detailed examinations have been made by the ENGINEER to ascertain that the construction contractor has completed the work in exact accordance with the AGREEMENT Documents; that the final work will be acceptable in all respects; that the ENGINEER has made an examination to ascertain how or for what purpose the construction contractor has used the moneys paid; that title to any of the work, materials, or equipment has passed to the CITY free and clear of liens, claims, security interests, or encumbrances; or that there are not other matters at issue between the CITY and the construction contractor that affect the amount that should be paid.

## **H. Record Drawings**

Record drawings, if required, will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the PROJECT was finally constructed. The ENGINEER is not responsible for any errors or omissions in the information from others that is incorporated into the record drawings.

## **I. Right to Audit**

- (1) ENGINEER agrees that the CITY shall, until the expiration of five (5) years after final payment under this AGREEMENT, have access to and the right to examine and photocopy any directly pertinent books, documents, papers and records of the ENGINEER involving transactions relating to this AGREEMENT. ENGINEER agrees that the CITY shall have access during normal working hours to all necessary ENGINEER facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The CITY shall give ENGINEER reasonable advance notice of intended audits.
- (2) ENGINEER further agrees to include in all its subconsultant agreements hereunder a provision to the effect that the subconsultant agrees that the CITY shall, until the expiration of five (5) years after final payment under the subcontract, have access to and the right to examine and photocopy any directly pertinent books, documents, papers and records of such subconsultant, involving transactions to the subcontract, and further, that the CITY shall have access during normal working hours to all subconsultant facilities, and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with the provisions of this section together with subsection (3) hereof. CITY shall give subconsultant reasonable advance notice of intended



audits.

- (3) ENGINEER and subconsultant agree to photocopy such documents as may be requested by the CITY. The CITY agrees to reimburse ENGINEER for the cost of copies at the rate published in the Texas Administrative Code in effect as of the time copying is performed.

## **J. INSURANCE**

### **(1) ENGINEER'S INSURANCE**

- a. Commercial General Liability – the ENGINEER shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000.00 per each occurrence with a \$2,000,000.00 aggregate. If such Commercial General Liability insurance contains a general aggregate limit, it shall apply separately to this PROJECT or location.
  - i. The CITY shall be included as an additional insured with all rights of defense under the CGL, using ISO additional insured endorsement or a substitute providing equivalent coverage, and under the commercial umbrella, if any. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to the CITY. The Commercial General Liability insurance policy shall have no exclusions or endorsements that would alter or nullify: premises/operations, products/completed operations, contractual, personal injury, or advertising injury, which are normally contained within the policy, unless the CITY specifically approves such exclusions in writing.
  - ii. ENGINEER waives all rights against the CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained in accordance with this AGREEMENT.
- b. Business Auto – the ENGINEER shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of “any auto”, including owned, hired, and non-owned autos, when said vehicle is used in the course of the PROJECT. If the engineer owns no vehicles, coverage for hired or non-owned is acceptable.
  - i. ENGINEER waives all rights against the CITY and its agents,

officers, directors and employees for recovery of damages to the extent these damages are covered by the business auto liability or commercial umbrella liability insurance obtained by ENGINEER pursuant to this AGREEMENT or under any applicable auto physical damage coverage.

- c. Workers' Compensation – ENGINEER shall maintain workers compensation and employers liability insurance and, if necessary, commercial umbrella liability insurance with a limit of not less than \$100,000.00 each accident for bodily injury by accident or \$100,000.00 each employee for bodily injury by disease, with \$500,000.00 policy limit.
  - i. ENGINEER waives all rights against the CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by workers compensation and employer's liability or commercial umbrella insurance obtained by ENGINEER pursuant to this AGREEMENT.
- d. Professional Liability – ENGINEER shall maintain professional liability, a claims-made policy, with a minimum of \$1,000,000.00 per claim and aggregate. The policy shall contain a retroactive date prior to the date of the AGREEMENT or the first date of services to be performed, whichever is earlier. Coverage shall be maintained for a period of 5 years following the completion of the AGREEMENT. An annual certificate of insurance specifically referencing this PROJECT shall be submitted to the CITY for each year following completion of the AGREEMENT.

## (2) GENERAL INSURANCE REQUIREMENTS

- a. Certificates of insurance evidencing that the ENGINEER has obtained all required insurance shall be attached to this AGREEMENT prior to its execution.
- b. Applicable policies shall be endorsed to name the CITY an Additional Insured thereon, subject to any defense provided by the policy, as its interests may appear. The term CITY shall include its employees, officers, officials, agents, and volunteers as respects the contracted services.
- c. Certificate(s) of insurance shall document that insurance coverage specified in this AGREEMENT are provided under applicable policies documented thereon.
- d. Any failure on part of the CITY to attach the required insurance documentation hereto shall not constitute a waiver of the insurance

requirements.

- e. A minimum of thirty (30) days notice of cancellation or material change in coverage shall be provided to the CITY. A ten (10) days notice shall be acceptable in the event of non-payment of premium. Notice shall be sent to the respective Department Director (by name), City of Denton, 901 Texas Street, Denton, Texas 76209.
- f. Insurers for all policies must be authorized to do business in the State of Texas and have a minimum rating of A:V or greater, in the current A.M. Best Key Rating Guide or have reasonably equivalent financial strength and solvency to the satisfaction of Risk Management.
- g. Any deductible or self insured retention in excess of \$25,000.00 that would change or alter the requirements herein is subject to approval by the CITY in writing, if coverage is not provided on a first-dollar basis. The CITY, at its sole discretion, may consent to alternative coverage maintained through insurance pools or risk retention groups. Dedicated financial resources or letters of credit may also be acceptable to the CITY.
- h. Applicable policies shall each be endorsed with a waiver of subrogation in favor of the CITY as respects the PROJECT.
- i. The CITY shall be entitled, upon its request and without incurring expense, to review the ENGINEER's insurance policies including endorsements thereto and, at the CITY's discretion; the ENGINEER may be required to provide proof of insurance premium payments.
- j. Lines of coverage, other than Professional Liability, underwritten on a claims-made basis, shall contain a retroactive date coincident with or prior to the date of the AGREEMENT. The certificate of insurance shall state both the retroactive date and that the coverage is claims-made.
- k. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption nor restrictive modification or changes from date of commencement of the PROJECT until final payment and termination of any coverage required to be maintained after final payments.
- l. The CITY shall not be responsible for the direct payment of any insurance premiums required by this AGREEMENT.
- m. Sub consultants and subcontractors to/of the ENGINEER shall be required by the ENGINEER to maintain the same or reasonably

equivalent insurance coverage as required for the ENGINEER. When sub consultants/subcontractors maintain insurance coverage, ENGINEER shall provide CITY with documentation thereof on a certificate of insurance.

#### **K. Independent Consultant**

The ENGINEER agrees to perform all services as an independent consultant and not as a subcontractor, agent, or employee of the CITY. The doctrine of *respondeat superior* shall not apply.

#### **L. Disclosure**

The ENGINEER acknowledges to the CITY that it has made full disclosure in writing of any existing conflicts of interest or potential conflicts of interest, including personal financial interest, direct or indirect, in property abutting the proposed PROJECT and business relationships with abutting property cities. The ENGINEER further acknowledges that it will make disclosure in writing of any conflicts of interest that develop subsequent to the signing of this AGREEMENT and prior to final payment under the AGREEMENT.

#### **M. Asbestos or Hazardous Substances**

- (1) If asbestos or hazardous substances in any form are encountered or suspected, the ENGINEER will stop its own work in the affected portions of the PROJECT to permit testing and evaluation.
- (2) If asbestos or other hazardous substances are suspected, the CITY may request the ENGINEER to assist in obtaining the services of a qualified subcontractor to manage the remediation activities of the PROJECT.

#### **N. Permitting Authorities - Design Changes**

If permitting authorities require design changes so as to comply with published design criteria and/or current engineering practice standards which the ENGINEER should have been aware of at the time this AGREEMENT was executed, the ENGINEER shall revise plans and specifications, as required, at its own cost and expense. However, if design changes are required due to the changes in the permitting authorities' published design criteria and/or practice standards criteria which are published after the date of this AGREEMENT which the ENGINEER could not have been reasonably aware of, the ENGINEER shall notify the CITY of such changes and an adjustment in compensation will be made through an amendment to this AGREEMENT.

#### **O. Schedule**

ENGINEER shall manage the PROJECT in accordance with the schedule developed per

Attachment D to this AGREEMENT.

## **P. Equal Opportunity**

- (1) **Equal Employment Opportunity:** ENGINEER and ENGINEER's agents shall engage in any discriminatory employment practice. No person shall, on the grounds of race, sex, sexual orientation, age, disability, creed, color, genetic testing, or national origin, be refused the benefits of, or be otherwise subjected to discrimination under any activities resulting from this AGREEMENT.
- (2) **Americans with Disabilities Act (ADA) Compliance:** ENGINEER and ENGINEER's agents shall not engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

## **SECTION 5** **Obligations of the City**

Amendments to Section 5, if any, are included in Attachment C.

### **A. City-Furnished Data**

ENGINEER may rely upon the accuracy, timeliness, and completeness of the information provided by the CITY.

### **B. Access to Facilities and Property**

The CITY will make its facilities accessible to the ENGINEER as required for the ENGINEER's performance of its services. The CITY will perform, at no cost to the ENGINEER, such tests of equipment, machinery, pipelines, and other components of the CITY's facilities as may be required in connection with the ENGINEER's services. The CITY will be responsible for all acts of the CITY's personnel.

### **C. Advertisements, Permits, and Access**

Unless otherwise agreed to in the Scope of Services, the CITY will obtain, arrange, and pay for all advertisements for bids; permits and licenses required by local, state, or federal authorities; and land, easements, rights-of-way, and access necessary for the ENGINEER's services or PROJECT construction.

### **D. Timely Review**

The CITY will examine the ENGINEER's studies, reports, sketches, drawings, specifications, proposals, and other documents; obtain advice of an attorney, insurance counselor, accountant, auditor, bond and financial advisors, and other consultants as the

CITY deems appropriate; and render in writing decisions required by the CITY in a timely manner in accordance with the PROJECT schedule prepared in accordance with Attachment A.

#### **E. Prompt Notice**

The CITY will give prompt written notice to the ENGINEER whenever CITY observes or becomes aware of any development that affects the scope or timing of the ENGINEER's services or of any defect in the work of the ENGINEER or construction contractors.

#### **F. Asbestos or Hazardous Substances Release.**

- (1) CITY acknowledges ENGINEER will perform part of the work at CITY's facilities that may contain hazardous materials, including asbestos containing materials, or conditions, and that ENGINEER had no prior role in the generation, treatment, storage, or disposition of such materials. In consideration of the associated risks that may give rise to claims by third parties or employees of City, City hereby releases ENGINEER from any damage or liability related to the presence of such materials.
- (2) The release required above shall not apply in the event the discharge, release or escape of hazardous substances, contaminants, or asbestos is a result of ENGINEER's negligence or if ENGINEER brings such hazardous substance, contaminant or asbestos onto the PROJECT.

#### **G. Contractor Indemnification and Claims**

The CITY agrees to include in all construction contracts the provisions of Article IV.E. regarding the ENGINEER's Personnel at Construction Site, and provisions providing for contractor indemnification of the CITY and the ENGINEER for contractor's negligence.

#### **H. Contractor Claims and Third-Party Beneficiaries**

- (1) The CITY agrees to include the following clause in all contracts with construction contractors and equipment or materials suppliers:  
  
"Contractors, subcontractors and equipment and materials suppliers on the PROJECT, or their sureties, shall maintain no direct action against the ENGINEER, its officers, employees, and subcontractors, for any claim arising out of, in connection with, or resulting from the engineering services performed. Only the CITY will be the beneficiary of any undertaking by the ENGINEER."
- (2) This AGREEMENT gives no rights or benefits to anyone other than the CITY and the ENGINEER and there are no third-party beneficiaries.

- (3) The CITY will include in each agreement it enters into with any other entity or person regarding the PROJECT a provision that such entity or person shall have no third-party beneficiary rights under this AGREEMENT.
- (4) Nothing contained in this Section H. shall be construed as a waiver of any right the CITY has to bring a claim against ENGINEER.

#### **I. CITY's Insurance**

- (1) The CITY may maintain property insurance on certain pre-existing structures associated with the PROJECT.
- (2) The CITY may secure Builders Risk/Installation insurance at the replacement cost value of the PROJECT. The CITY may provide ENGINEER a copy of the policy or documentation of such on a certificate of insurance.

#### **J. Litigation Assistance**

The Scope of Services does not include costs of the ENGINEER for required or requested assistance to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by the CITY. In the event CITY requests such services of the ENGINEER, this AGREEMENT shall be amended or a separate agreement will be negotiated between the parties.

#### **K. Changes**

The CITY may make or approve changes within the general Scope of Services in this AGREEMENT. If such changes affect the ENGINEER's cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this AGREEMENT with appropriate CITY approval.

### **SECTION 6** **General Legal Provisions**

Amendments to Section 6, if any, are included in Attachment C.

#### **A. Authorization to Proceed**

ENGINEER shall be authorized to proceed with this AGREEMENT upon receipt of a written Notice to Proceed from the CITY.

#### **B. Reuse of Project Documents**

All designs, drawings, specifications, documents, and other work products of the

ENGINEER, whether in hard copy or in electronic form, are instruments of service for this PROJECT, whether the PROJECT is completed or not. Reuse, change, or alteration by the CITY or by others acting through or on behalf of the CITY of any such instruments of service without the written permission of the ENGINEER will be at the CITY's sole risk. The CITY shall own the final designs, drawings, specifications and documents.

### **C. Force Majeure**

The ENGINEER is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the ENGINEER that prevent ENGINEER's performance of its obligations hereunder.

### **D. Termination**

(1) This AGREEMENT may be terminated:

- a. by the City for its convenience upon 30 days' written notice to ENGINEER.
- b. by either the CITY or the ENGINEER for cause if either party fails substantially to perform through no fault of the other and the nonperforming party does not commence correction of such nonperformance within 5 days' written notice or thereafter fails to diligently complete the correction.

(2) If this AGREEMENT is terminated for the convenience of the City, the ENGINEER will be paid for termination expenses as follows:

Cost of reproduction of partial or complete studies, plans, specifications or other forms of ENGINEER'S work product;

Out-of-pocket expenses for purchasing electronic data files and other data storage supplies or services;

The time requirements for the ENGINEER'S personnel to document the work underway at the time of the CITY'S termination for convenience so that the work effort is suitable for long time storage.

(3) Prior to proceeding with termination services, the ENGINEER will submit to the CITY an itemized statement of all termination expenses. The CITY'S approval will be obtained in writing prior to proceeding with termination services.

### **E. Suspension, Delay, or Interruption to Work**

The CITY may suspend, delay, or interrupt the services of the ENGINEER for the



convenience of the CITY. In the event of such suspension, delay, or interruption, an equitable adjustment in the PROJECT's schedule, commitment and cost of the ENGINEER's personnel and subcontractors, and ENGINEER's compensation will be made.

#### **F. Indemnification**

**IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE SECTION 271.904, THE ENGINEER SHALL INDEMNIFY OR HOLD HARMLESS THE CITY AGAINST LIABILITY FOR ANY DAMAGE COMMITTED BY THE ENGINEER OR ENGINEER'S AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH THE ENGINEER EXERCISES CONTROL TO THE EXTENT THAT THE DAMAGE IS CAUSED BY OR RESULTING FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER. CITY IS ENTITLED TO RECOVER ITS REASONABLE ATTORNEY'S FEES IN PROPORTION TO THE ENGINEER'S LIABILITY.**

#### **G. Assignment**

Contractor may assign this Agreement in its entirety, to its affiliate or in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets, without COMPANY's consent. Contractor shall provide thirty (30) days' advance written notice to Company.

#### **H. Jurisdiction**

The law of the State of Texas shall govern the validity of this AGREEMENT, its interpretation and performance, and any other claims related to it. The venue for any litigation related to this AGREEMENT shall be Denton County, Texas.

#### **I. Severability and Survival**

If any of the provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this AGREEMENT shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Sections 5.F., 6.B., 6.D., 6.F., 6.H., and 6.I. shall survive termination of this AGREEMENT for any cause.

#### **J. Observe and Comply**

ENGINEER shall at all times observe and comply with all federal and State laws and regulations and with all City ordinances and regulations which in any way affect this AGREEMENT and the work hereunder, and shall observe and comply with all orders, laws

ordinances and regulations which may exist or may be enacted later by governing bodies having jurisdiction or authority for such enactment. No plea of misunderstanding or ignorance thereof shall be considered. **ENGINEER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS CITY AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS OR LIABILITY ARISING OUT OF THE VIOLATION OF ANY SUCH ORDER, LAW, ORDINANCE, OR REGULATION, WHETHER IT BE BY ITSELF OR ITS EMPLOYEES.**

#### **K. Immigration Nationality Act**

ENGINEER shall verify the identity and employment eligibility of its employees who perform work under this AGREEMENT, including completing the Employment Eligibility Verification Form (I-9). Upon request by CITY, ENGINEER shall provide CITY with copies of all I-9 forms and supporting eligibility documentation for each employee who performs work under this AGREEMENT. ENGINEER shall adhere to all Federal and State laws as well as establish appropriate procedures and controls so that no services will be performed by any ENGINEER employee who is not legally eligible to perform such services. **ENGINEER SHALL INDEMNIFY CITY AND HOLD CITY HARMLESS FROM ANY PENALTIES, LIABILITIES, OR LOSSES DUE TO VIOLATIONS OF THIS PARAGRAPH BY ENGINEER, ENGINEER'S EMPLOYEES, SUBCONTRACTORS, AGENTS, OR LICENSEES.** CITY, upon written notice to ENGINEER, shall have the right to immediately terminate this AGREEMENT for violations of this provision by ENGINEER.

#### **L. Prohibition On Contracts With Companies Boycotting Israel**

ENGINEER acknowledges that in accordance with Chapter 2270 of the Texas Government Code, CITY is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this AGREEMENT, ENGINEER certifies that ENGINEER'S signature provides written verification to the CITY that ENGINEER: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the AGREEMENT.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

#### **M. Prohibition On Contracts With Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization**

Section 2252 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this AGREEMENT, ENGINEER certifies that ENGINEER'S signature provides written verification to the CITY that ENGINEER, pursuant to Chapter 2252, is not ineligible to enter into this AGREEMENT and will not become***

***ineligible to receive payments under this AGREEMENT by doing business with Iran, Sudan, or a foreign terrorist organization.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

#### **N. Certificate of Interested Parties Electronic Filing**

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Engineer submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Engineer will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor shall:

1. Log onto the State Ethics Commission Website at :  
[https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to [purchasing@cityofdenton.com](mailto:purchasing@cityofdenton.com) with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

#### **O. Prohibition Against Personal Interest In Contracts**

No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation as defined in the City's Ethic Ordinance 18-757 and in the City Charter chapter 2 article XI(Ethics). Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Engineer shall complete and submit the City's Conflict of Interest Questionnaire.

### Limitation of Liability

HSI warrants that if the Platform and Content fails to substantially conform to the specifications in our online guides or online help, and the non-conformity is promptly reported in writing by Licensee with reasonable specificity so as to allow HSI to attempt to cure the non-conformity, then HSI shall, in its sole discretion, either substantially remedy the nonconformity within thirty (30) days after written notice from Licensee, procure a substantially similar substitute product at no additional charge to Licensee, or refund the purchase price for the affected product to Licensee. In the event of a refund, the license granted under this Agreement shall immediately terminate. EXCEPT FOR THE LIMITED WARRANTY SET FORTH ABOVE, THE CONTENT AND PLATFORM ARE PROVIDED “AS-IS” AND WITHOUT ANY WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. HSI DOES NOT WARRANT THAT THE CONTENT AND/OR PLATFORM WILL BE UNINTERRUPTED, TIMELY, OR ERROR FREE IN ALL INSTANCES.

The liability of HSI arising out of any kind of legal claim (including, but not limited to, claims sounding in contract, tort, strict liability, breach of warranty, or otherwise) will not in any case exceed the amount You paid for the most current annual license fee noted on the contract between the parties.

### **P. Agreement Documents**

This AGREEMENT, including its attachments and schedules, constitutes the entire AGREEMENT, which supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties. This AGREEMENT may be executed in one or more counterparts and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute but one and the same instrument. The following attachments and schedules are hereby made a part of this AGREEMENT:

- Attachment A - Scope of Services and Project Schedule
- Attachment B - Compensation
- Attachment C - Amendments to Standard Agreement for Engineering Services
- Attachment D - Form CIQ – Conflict of Interest Questionnaire

These documents make up the AGREEMENT documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the AGREEMENT documents, the inconsistency or conflict shall be resolved by giving precedence first to the written AGREEMENT then to the AGREEMENT documents in the order in which they are listed above.

Duly executed by each party's designated representative to be effective on the date subscribed by the City Manager.

DocuSigned by:  
*Rosa Rios*  
BY: 1G5CA8C6E175493...

**ENGINEER** HSI

DocuSigned by:  
*Duane Tumlinson*  
BY: D0BFF37E4405417...  
**AUTHORIZED SIGNATURE**

Printed Name: Duane Tumlinson

Title: VP - Sales Operations

509-531-5775

**PHONE NUMBER**

dtumlinson@hsi.com

**EMAIL ADDRESS**

dtumlinson@hsi.com

**TEXAS ETHICS COMMISSION  
1295 CERTIFICATE NUMBER**

**APPROVED AS TO LEGAL FORM:**

DocuSigned by:  
*Marcella Lunn*  
BY: 4B070831B4AA438...  
**MACK REINWAND, CITY ATTORNEY**

**THIS AGREEMENT HAS BEEN  
BOTH REVIEWED AND APPROVED**  
as to financial and operational obligations and  
business terms.

DocuSigned by:  
*Antonio Puente*  
E3760944C2BF4B5...  
**SIGNATURE** **Antonio Puente**  
**PRINTED NAME**

DME General Manager

**TITLE**

Electric

**DEPARTMENT**

**CITY OF DENTON, TEXAS**

DocuSigned by:  
*Sara Hensley*  
BY: 5236DB296270423...  
**SARA HENSLEY, INTERIM CITY MANAGER**

**ATTEST:  
ROSA RIOS, CITY SECRETARY**

Attachment A  
Scope of Work and Project Schedule



## Denton Municipal Electric

901-B Texas St  
Denton, TX 76209

---

### RFQ-7693 NERC Compliance Program Gap Analysis and Mitigation – Deliverables and Statement of Work

May 17, 2021

Company Contact: Christa Christian, Compliance and Procurement  
Email: [christa.christian@cityofdenton.com](mailto:christa.christian@cityofdenton.com)

**SOS Intl** 10715 Sikes Place, Suite 114, Charlotte NC 28277-8175  
704-752-3534 Fax 704-752.6455 [www.sosintl.com](http://www.sosintl.com)

**NERC**  
NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

SOS Intl and NERC ID SOS\_INTL\_001 is recognized by the North American Electric Reliability Corporation as a continuing education provider who adheres to NERC Continuing Education Program Criteria.

---

## UNDERSTANDING OF PROJECT AND PROJECT REQUIREMENTS

This proposal will ensure DME maintains a robust NERC Compliance Program. DME is seeking to engage SOS to assist DME NERC Compliance staff with the following activities:

### Phase I

- Conduct an analysis of DME's compliance program documents, policies, processes and plans in the areas of DP, GO, GOP, TO, TOP, and TP in comparison with the NERC requirements to assess if DME's program sufficiently addresses them. Identify areas of DME's program that may be deficient.
- If any deficiencies are identified, create new or amended program language that will mitigate the found deficiencies and assist in identifying evidence that would satisfy the mitigated language
- For program areas with insufficient methodologies or are not in line with general industry practice, identify these areas and suggest alternate program methods and/or language
- Review and assess evidence generated by the current program for completeness and identify areas where augmentation (if possible) would be beneficial

### Phase II

- Assist with the start of the TRE audit
- Assist with the evaluation of inquiries from the audit team and provide a strategic approach to responding with the goal to achieve the best possible results

The work product will be delivered in Microsoft Word and/or Excel. Documents will be clear and concise and geared to the Subject Matter Expert responsible for executing the task required by NERC. Documents will reference the NERC requirement it is intended to satisfy. The following deliverables have been identified:

- Documented list of programs areas identified as potentially deficient by NERC requirement
- New alternative program language that will reasonably address the deficiencies
- Documented areas that may not have a compliance issue, but are concerning due to poor or outdated methodology, and suggest language to correct
- List of reviewed evidence from existing program, with a grading as to its application to the given standard it is being applied to, and its potential value as evidence for other standards
- List of examples of augmenting evidence to further bolster a successful audit, if possible and permissible for DME to produce

The SOS advisory services team has in-depth knowledge and extensive practical experience in the utility industry. Our team has performed the work outlined in this RFQ for many utilities throughout the U.S. and Canada. SOS can provide a full-service solution to meet the needs for DME's NERC compliance program.

---

## SCOPE OF WORK

The Gap Analysis will be conducted using a methodology consistent with the known TRE Compliance Audit process and the current implementation of NERC's Reliability-based Compliance Monitoring and Enforcement Program. The Gap Analysis will include those current regulatory approved applicable NERC Reliability Standards applicable to DME's registered functions. The SOS review will be for the current year and include one set of RSAWs and data. In general, SOS will perform the following activities:

- Oversee a kickoff meeting via conference call or webinar to describe the project overview, finalize project scope, introduce key stakeholders and project participants, and answer questions
- Submit a Data Request to DME prior to beginning work



- Supporting RSAWs and Evidence
- CIP Evidence Request Tool (ERT)
- PRC-005 Component List
  - SOS will randomly select approximately 20 elements from the PRC-005 component list provided by DME and send a follow up data request for test records, work orders, and other evidence that supports PRC-005 compliance
- Evaluate the evidentiary documentation provided to ensure completeness, cohesiveness, and good organization
  - SOS will review each of the Requirements from the applicable NERC Reliability Standards and assess based on the following gap categories:
    - Evidence that does not meet the standard and requirement (evidence that is at risk of potential alleged violation of the standard)
    - Documentation gaps
    - RSAW documentation gaps
    - Record-keeping gaps
    - Procedure gaps
    - Potential situations requiring self-reporting
    - Culture of Compliance
- Complete an on-site CIP Gap Analysis and provide DME staff with an overview of findings and recommendations for improvements based on our experience and interpretation of NERC CIP Standards. Our on-site work is consistent with the known TRE Compliance Audit process, but will be more comprehensive and educational. It will consist of evaluating and interviewing SMEs to assess DME's position of compliance to the regulatory approved applicable NERC and TRE Reliability Standards and their associated requirements

#### *Interview Process*

The interviews will consist of questions which challenge the SME to validate the evidence and RSAW and dialogue which imparts our experience and knowledge. SOS will provide direct feedback and coaching to the SMEs as to the effectiveness of their approach to each Standard and Requirement during these meetings. Generally, coaching occurs after the SME has completed their presentation of evidence to allow them to experience an actual audit environment in preparation for an upcoming TRE audit

- Provide a Draft/Final report.
  - SOS will identify areas that need improvement, along with recommendations for changes to address any identified issues. SOS will track any discovered gaps for inclusion in the Final Report using the following three (3) ratings categories:
    - **SUFFICIENT** – processes, procedures, programs, and evidence reviewed by SOS fully address the Reliability Standards
    - **NEEDS DEVELOPMENT** – a specific portion of a process, procedure, program, or evidence has been identified which needs further development or suggested improvements
    - **ISSUES** – specific processes, procedures, programs, or evidence reviewed by SOS have raised concerns

---

## PROPOSED SCHEDULE

### GAP ANALYSIS

#### Step 1 (off-site) – Create Work Plan, Scope & Approach – Week 1

SOS will begin with a kickoff meeting via conference call or webinar to describe the project overview, finalize project scope, introduce key stakeholders and project participants, and answer questions.

### **Step 2 (off-site) Request for Document, Procedures, and Evidence – Weeks 1 & 2**

SOS will submit a Data Request based on the project schedule established in Step 1. DME personnel should complete the Data Request including the submittal all forms of evidence (processes, procedures, policies records, etc.) in electronic format to SOS for an off-site review. SOS will provide a secure SharePoint site to expedite the review process. However, if this suggested format does not work for DME, SOS will receive data and other information in a manner suggested by DME.

#### **Documents to Be Provided by DME for the Applicable NERC Standards:**

- All RSAWs and evidence providing support of compliance – policies, processes, plans, procedures, and records (where available)
- Any other documents that may be presented to NERC and/or TRE during a Compliance Audit which DME determines is crucial to the Compliance assessment (including past Audit Reports, past Self-reports, Violations, Mitigation Plans, and Enforcement Action)
- CIP Evidence Request Tool
- Completed SOS Data requests

### **Step 3 (Off Site) Evaluation and review of data submitted – weeks 3, 4, & 5**

SOS will conduct a sufficiency review and evaluate the evidentiary documentation provided by DME to ensure completeness, cohesiveness, and good organization.

SOS will review each of the Requirements from the applicable NERC Reliability Standards and assess each based on the following gap categories:

- Evidence does not meet the standard and requirement (evidence that is at risk of potential alleged violation of the standard)
- Documentation gaps
- Internal controls gaps
- RSAW documentation gaps
- Record-keeping gaps
- Procedure gaps
- Potential situations requiring self-reporting
- Culture of Compliance

In cases where additional data or information is needed to render a risk opinion, SOS will contact DME for additional evidence that may exist.

SOS will identify areas that need improvement, along with recommendations for changes that will address any identified issues. SOS will track any discovered gaps for inclusion in the Final Report using the following three (3) rating categories:

- **SUFFICIENT** – Processes, procedures, programs, and evidence reviewed by the SOS fully address the Reliability Standards.
- **NEEDS DEVELOPMENT** – A specific portion of a process, procedure, program, or evidence has been identified which needs further development or suggested improvements.
- **ISSUES** – Specific processes, procedures, programs, or evidence reviewed by SOS have raised concerns.

**Step 4 (on-site) CIP Mock Audit – Week 6**

SOS will complete an on-site CIP Gap Analysis and provide DME staff with an overview of findings and recommendations for improvements based on our experience and interpretation of NERC CIP Standards. Our on-site work is consistent with the known TRE Compliance Audit process, but will be more comprehensive and educational. It will consist of evaluating and interviewing SME's to assess DME's position of compliance to the regulatory approved applicable NERC and TRE Reliability Standards and their associated requirements.

**Step 5 (off-site) Report Preparation – Weeks 7 & 8**

SOS will provide a Draft/Final report by the end of week 8. The report will include an executive summary of compliance to the applicable regulatory approved NERC Reliability Standards and input from TRE SMEs and will summarize the evaluation of the Compliance Program as a whole. The report will include a detailed section identifying the regulatory approved applicable NERC Reliability Standards and associated requirements with SOS recommendations and suggest areas of recommended enhancements and corrective actions to reinforce the TRE position of compliance.

Post gap analysis, SOS will provide assistance implementing recommended compliance enhancements as directed by DME.



## Denton Municipal Electric

901-B Texas St  
Denton, TX 76209

---

### RFQ-7693 NERC Compliance Program Gap Analysis and Mitigation - Qualifications

May 17, 2021

Company Contact: Christa Christian, Compliance and Procurement  
Email: [christa.christian@cityofdenton.com](mailto:christa.christian@cityofdenton.com)

**SOS Intl** 10715 Sikes Place, Suite 114, Charlotte NC 28277-8175  
704-752-3534 Fax 704-752.6455 [www.sosintl.com](http://www.sosintl.com)

**NERC**  
NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

SOS Intl and NERC ID SOS\_INTL\_001 is recognized by the North American Electric Reliability Corporation as a continuing education provider who adheres to NERC Continuing Education Program Criteria.

## PROJECT SUMMARY

The purpose of this proposal is for SOS Intl (SOS), an HSI company, to provide assistance to Denton Municipal Electric (DME) by conducting an Operations and Planning (693) and Cyber Infrastructure Protection (CIP) Gap Analysis to evaluate their compliance with selected NERC standards applicable to DME per their functional registrations for Phase 1. The gap analysis is targeted to be completed by December 31, 2021 in anticipation of a Texas Reliability Entity (TRE) compliance audit in early 2022. Phase 2 of this project will be to provide audit support during the TRE audit as requested by DME.

DME is registered with NERC as a Distribution Provider (DP), Generator Owner (GO), Generator Operator (GOP), Transmission Owner (TO), Transmission Operator (TOP), and Transmission Planner (TP) and has a medium impact control center and one low impact site.

## KEY PROJECT PERSONNEL

The following SOS advisors have been selected for this assignment. Each team member has extensive experience in the power industry and in-depth knowledge and understanding of both the content and interpretation of the NERC and Regional Reliability Standards.

- Jim Stanton, Director of Advisory Services
- Linda Perez, Senior Manager Advisory Services
- John Bussman P.E., Compliance Advisor
- Jane Watkins, Compliance Advisor
- Wayne Lewis, P.E., CIP Compliance Advisor
- Muhammad Farid P.E. (registered in Texas), Compliance Advisor

Our key project personnel have nearly 100 years of diversified utility experience in the compliance, training, and regulatory arenas. The following table highlights key work experience for selected advisors. Please see Appendix A for key project personnel resumes.

Name	Project role	Types of Work Experience
Jim Stanton	Compliance Advisor	<ul style="list-style-type: none"> <li>• Former member of the NERC Compliance and Certification Committee</li> <li>• Vice Chair of the NERC Compliance Processes and Procedures Subcommittee</li> <li>• Conducted Mock Audit and Gap Analyses for SOS clients</li> <li>• Conducted Mock Audit and Gap Analyses as for ICF International</li> <li>• Conducted Mock Audit and Gap Analyses for SPS Consulting</li> <li>• Conducted Mock Audit and Gap Analyses for Quanta Technology</li> </ul>
Linda Perez	Project Manager, Compliance Advisor	<ul style="list-style-type: none"> <li>• Extensive experience leading, facilitating, and supporting compliance and control center operations</li> <li>• Conducted several Mock Audits and Gap Analyses as advisor for SOS</li> <li>• Spent six years with WECC managing the Reliability Coordinator function for the Western Interconnection</li> <li>• Conducted CIP compliance audit for WECC Reliability Coordinator</li> </ul>

Name	Project role	Types of Work Experience
		<ul style="list-style-type: none"> <li>Prepared RSAWs for compliance audits, wrote client policies, procedures, and guidelines to establish compliance, and acted as an SME during compliance audits</li> </ul>
John Bussman	Compliance Advisor	<ul style="list-style-type: none"> <li>More than 29 years of utility experience with 12 years in regulatory compliance</li> <li>Expertise with FAC and PRC Standards</li> <li>Experience includes management, regulatory compliance, operations, finance, electrical engineering design and transmission planning, power supply, strategic planning, and member communications</li> </ul>
Jane Watkins	Compliance Advisor	<ul style="list-style-type: none"> <li>Created and enhanced process and procedure implementation for Generator Operators</li> <li>Experience includes more than 30 years of experience to the electric utility industry, focusing on compliance, project management, and database management</li> </ul>
Wayne Lewis	CIP Compliance Advisor	<ul style="list-style-type: none"> <li>More than 40 years of utility experience</li> <li>Experience as Lead Auditor on various CIP audits.</li> <li>Experience with writing client policies, procedures, and guidelines to establish electrical utility compliance with NERC Standards</li> <li>Registered Professional Engineer (P.E.)</li> </ul>
Muhammad Farid	Compliance Advisor	<ul style="list-style-type: none"> <li>More than 25 year of utility experience</li> <li>Manage multiple activities effectively such as quality assurance, engineering, regulatory approvals, procurement, planning and controls, and safety using project management principles and establishing standards for implementation.</li> <li>Registered Professional Engineer (P.E.)</li> </ul>

## ABOUT SOS / HSI

### Company Overview

SOS, an HSI company, has an office in Frisco, TX with employees located throughout the United States. Our clients count on decades of experience and subject matter expertise provided by our principal advisors. We offer our clients a full-service solution, in-depth knowledge, and extensive practical experience in the utility industry. Our comprehensive background spans compliance and training for NERC Reliability Standards, risk management best practices, business process planning and services, and strategic planning, advice, guidance, and awareness to help build reliability of the Bulk Electric System (BES).

## EXPERIENCE/ABILITY

### TECHNICAL EXPERTISE AND QUALIFICATIONS

#### Comprehensive Background

- NERC Reliability Standard compliance and training

- Risk management best practices
- Business process planning and services
- Strategic planning
- Reliability advice, guidance, and awareness



### **Compliance Advisor Expertise**

- Performing hundreds of mock audits, compliance gap analyses, documentation development, compliance registrations, SME witness preparation, and compliance training engagements
- Staying up to date on the most recent NERC compliance actions
- Participating in RE Compliance Audits from both the entity and auditor perspective
- Assisting clients with the NERC mitigation and settlement process following unsuccessful compliance audits even though SOS was not engaged prior to the audit
- Identifying gaps in documentation that impact compliance, creating and administering compliance programs, cross-referencing compliance documentation, and performing other related services across many regions
- Procedure and process reviews and program development

### **Industry Involvement**

- NERC Compliance and Certification Committee
- Vice Chair of NERC Violation Risk Factor Standards Drafting team
- Former chair of the ISO-RTO Compliance Working Group
- Member of NERC Compliance and Certification Committee – Compliance Processes and Procedures Subcommittee
- Deliver technical training on NERC Reliability Standards to FERC and NERC staff
- Senior Member Institute of Electrical and Electronics Engineers
- Registered Professional Engineer

### **Regional Experience**

- Attend NERC and Regional compliance seminars/meetings
- Participate in NERC webinars related to the Reliability Assurance Initiative (RAI), Risk Based Compliance Monitoring and Risk Based Registration
- Participate in Regional compliance forums
- Activity monitor FERC, NERC and Regional web sites for changes in the application/audit approach of Standards including
  - FERC Orders approving new and revised Reliability Standards
  - NERC
    - Standard Implementation Plans
    - Alerts and Advisories
    - Lessons Learned
  - TRE Region
    - Audit Approach Documents
    - Compliance Monitoring and Enforcement Program Implementation Plan (CMEP IP)
    - Best Practices
    - Risk Analysis
    -

---

## PAST PERFORMANCE

SOS has been providing reliability entities with compliance services for the NERC O&P and CIP Standards since the inception of the reliability standards in 2007. SOS has extensive experience in both the compliance and training arena working with FERC, NERC, and all the regions. Specifically, SOS has provided compliance advisory services for the following companies.

### FORMOSA UTILITY VENTURE (TRE)

Conducted a Gap Analysis using a methodology consistent with known TRE Compliance Audit processes and the current implementation of NERC's Reliability-based CMEP. Developed a pre-commissioning checklist, created PER-006 training, reviewed and revised procedures, and provided ongoing NERC Compliance services.

### USIBWC (TRE)

Conducted a Gap Analysis using a methodology consistent with known TRE Compliance Audit processes and the current implementation of NERC's Reliability-based CMEP. SOS also provided the following services:

- Reviewed documentation and evidence to identify compliance gaps
- Developed RSAWs, procedures, self-reports, and mitigation plans as required
- Assisted staff in compliance activities
- Participated in monthly compliance status calls
- Conducted CIP training
- De-registered the Falcon Generation Plant
- Working with client to de-register the Amistad Generation Plant

### TALEN ENERGY (TRE, NPCC, RF)

SOS conducted a CIP Gap Analysis, developed procedures, and provided ongoing compliance services.

### CITY OF TALLAHASSEE (SERC)

SOS provided an on-site Gap Analysis and off-site Gap Analysis of the 693 standards applicable to Tallahassee's registered functions. The Gap Analysis included SME coaching and a review of procedures and processes for upcoming standards.

SOS provided the following services:

- Conducted a CIP V3 to V5 transition gap assessment
  - Identified gaps
  - Recommended solutions to mitigate risks
- Conducted a 693 compliance Gap Analysis and Gap Analysis
  - Provided an opening presentation
  - Conducted in-depth review of each Requirement with appropriate SME
  - Delivered exit presentation with summary of findings
  - Delivered a final report that provided detailed findings for each Requirement reviewed by SOS, including comments related to RSAW and evidence adequacy and relevance. Suggested improvements and additional evidence to support the client's compliance position
- Provided direction and coaching for staff to assist them during the audit interviews

This engagement was a repeat project for SOS as we completed pervious compliance Gap Analyses and Mock Audits for Tallahassee. This project included both on-site and off-site work.



## GRIDLIANCE (SERC)

SOS helped GridLiance develop their compliance program from scratch. SOS provided resources, information, and expertise for the following services.

- Develop Internal Compliance Program (ICP) document
- Establish CIP Evaluation of Acquired Assets Procedure document
- Design Reliability Risk Assessment Procedure
- Develop Extremely Low Maintenance & Overhead (ELMO) Compliance Staffing, Outsourcing, and Budgeting Procedure
- Produce tracking procedure for leadership support
- Write annual employee review and goal setting procedure
- Establish compliance training program document
- Create communications plan
- Develop program implementation plan
- Create compliance incentives, awards, and recognition policy document
- Design disciplinary action policy for compliance violations document
- Establish NERC Compliance Annual Self-Audit and Internal Report Program document
- Institute Self-Reporting of Possible Violations Procedure document
- Produce Off-Cycle ICP Modifications Procedure document
- Design on-boarding plan – document the asset specific steps and considerations required to on-board initial and subsequent assets

SOS identified and recommended a compliance software solution to manage the flow of compliance related information and compliance tasks and provide a repository for evidence to easily accessed for self-audit and Regional Entity audit preparation and function as a secure archive for compliance-related documents.

## KISSIMMEE UTILITY AUTHORITY (SERC)

Conducted a Gap Analysis using a methodology consistent with known FRCC/SERC Compliance Audit process and the current implementation of NERC's Reliability-based CMEP.

Provided audit support for the following activities.

- RSAW development and/or review
- Evidence review
- Discussion with KUA staff
- Assistance with data requests
- SME coaching

SOS also provided on-site assistance during the audit week.

## DOMINION ENERGY SOUTH CAROLINA (SERC)

SOS conducted an O&P, CIP V5/6, CIP-003-7, and CIP-014 Gap Analysis of Dominion Energy SC's current compliance program, incorporating a methodology consistent with known NERC and SERC audit processes. The engagement's objective was to identify any deficiencies in compliance and recommend remedial action to take.

SOS completed all projects on time and within budget.

## APPENDIX A: KEY PROJECT PERSONNEL RESUMES

### Jim Stanton

#### Director of Advisory Services

Jim Stanton brings more than 30 years of experience in the electric utility industry including plant operations, system operations, market design, RTO development, and reliability standards. His extensive background in the electric power industry has enabled him to assist clients in their efforts to reach and maintain compliance with the reliability standards.

Prior to SOS, Jim assisted clients in compliance readiness and risk management efforts through his roles as Principal Advisor at Quanta Technology and Executive Director at SPS Energy. Before his time at SPS Energy, Jim co-founded a new practice to assist clients with all aspects of NERC Reliability Standards compliance, recruiting, training and coordinating a staff of six compliance specialists in his role as Director/Project manager at ICF International.

#### PROFESSIONAL EXPERIENCE

**SOS Intl** | Charlotte, NC | 2015 – Present

*Director of Advisory Services*

- Enhance operations, create and implement strategic plan, recruit, hire, train, and mentor the team while working closely with key accounts
- Provide subject matter expertise and senior-level support for both compliance and training program engagements
- Advise clients on NERC compliance, including establishing a Culture of Compliance, creating and maintaining an internal control program, and building a comprehensive, mature program to help ensure reliability

**Quanta Technology** | Raleigh, NC | 2011 – 2015

- Principal Advisor

**SPS Energy** | Friendswood, TX | 2009 – 2011

- Executive Director

**ICF International** | Houston, TX | 2006 – 2009

- Director/Project Manager

**Calpine Corporation** | Houston, TX | 2000 – 2006

- Director of Reliability Compliance

**PG&E National Energy Group** | Houston, TX | 1997 – 2000

- Supervisor/Structurer

#### EDUCATION – CERTIFICATIONS – LICENSES

- Bachelor of Science: Management  
California Coast University, Santa Ana, CA
- Certified Southwest Power Pool Operator
- NERC Certified System Operator (1999)
- Current member of the NERC Compliance and Certification Committee
- Vice Chair of the NERC Violation Risk Factor Standards Drafting team
- Current member of the NERC Compliance and Certification Committee – Compliance Processes and Procedures Subcommittee



# Linda Perez

## Senior Advisory Services Manager

Linda has more than 25 years' experience leading, facilitating, and supporting compliance operations and engineering efforts in large, grid-management system environments. Her efforts have focused on compliance issues in the power industry and helped facilitate a culture of compliance within organizations. Linda brings that experience to assisting our clients in building an effective compliance program.

Prior to SOS, Linda assessed client compliance with NERC CIP and 693 standards to report and address any deficiencies or gaps. She prepared RSAWs for compliance audits, wrote client policies, procedures, and guidelines to establish compliance, and acted as an SME during compliance audits.

Linda spent six years with WECC managing the Reliability Coordinator function for the Western Interconnection. Prior to that, she assisted NERC with readiness evaluations of FRCC entities and helped conduct on-site compliance audits among other responsibilities in her role as Manager of Compliance.

### SOS PROJECTS

- Keys Coop (Region: FRCC) – performed on-site Mock Audit
- Intermountain Rural Electric Association (Region: WECC) – performed RSAW review
- Tallahassee Municipal Electric System Control (Region: FRCC) – performed on-site Mock Audit
- Pacific Gas & Electric (Region: WECC) – conducted training program maturity analysis

### PROFESSIONAL EXPERIENCE

#### **SOS Intl** | Charlotte, NC | 2014 – Present

##### *Compliance Advisor*

- Plan and perform compliance engagements including Mock Audits, Gap Analyses, policy review and development, and Entity Registration review
- Develop and implement entity Culture of Compliance documents and programs
- Lead investigation, development, and implementation of total client compliance program
- Write client policies, procedures, and guidelines to establish electrical utility compliance with NERC Standards

#### **GridSME** | 2013 – 2014

- Compliance Specialist

#### **Western Electricity Coordinating Council** | 2007 – 2013

- Managing Director, Reliability Coordination
- WISP Project Director

#### **Florida Reliability Coordinating Council** | 2006 – 2007

- Manager of Compliance

#### **Michigan Electric Transmission Company** | 2005 – 2006

- Manager of Training and Regulatory Compliance

#### **Consumers Energy Company** | 1985 – 2005

- Process Owner – Training and Procedures
- Real-time Operations Distribution Supervisor
- Skills Trainer
- Transmission Power Controller
- Distribution Operator





# John Bussman

## Compliance Advisor

John has more than 29 years of utility experience including regulatory compliance. His background in operations, electrical engineering design, and transmission planning and power supply gives him invaluable expertise when assessing client compliance evidence and documentation. John has managed four Operations and Planning compliance audits and three CIP audits, so he has the “boots on the ground” real-life experience to assist clients in audit preparation. John has an active industry presence and a deep interest in the standards development process.

John’s experience includes management, regulatory compliance, operations, finance, electrical engineering design and transmission planning, power supply, strategic planning, and member communications. He spent more than 18 years in the nuclear industry and more than 11 years in the fossil industry.

### PROFESSIONAL EXPERIENCE

**SOS Intl** | Charlotte, NC | 2017 – present  
*Compliance Advisor*

- Plan and perform compliance engagements including Mock Audits, Gap Analyses, policy review and development, and Entity Registration review
- Develop and implement entity Culture of Compliance documents and programs
- Lead investigation, development, and implementation of total client compliance program
- Write client policies, procedures, and guidelines to establish electrical utility compliance with NERC Standards

**Associated Electric Cooperative Inc.** | Springfield, MO | 2008 – 2017

- *Managing Director Reliability Compliance and Audit Services*
- *Manager Reliability Compliance*
- *Senior Transmission Planner*

**Sargent & Lundy** | Charlotte, NC | 1997 – 2006

- *Senior Project Manager*

**Public Service Electric and Gas** | Newark, NJ | 1991 – 1997

- *Design/Project Engineer*

### EDUCATION – CERTIFICATIONS – LICENSES

- MBA – Executive Management – Indiana Wesleyan University
- BSEE – University of New Haven, New Haven, CT
- Registered Professional Engineer in state of Missouri



# Jane Daly Watkins

## Compliance Advisor

Jane Daly Watkins brings more than 30 years of experience to the electric utility industry, focusing on compliance, project management, and database management. She has worked extensively in the generation area, including supporting compliance efforts for 16 generators with GO/GOP functions in four regions.

Most recently, Jane worked in renewable energy operations and maintenance at NRG Energy, focusing on a full range of compliance activities specific to renewables. She created and enhanced process and procedure implementation for Generator Operators while managing day-to-day compliance team activities, including identifying potential compliance gaps and responding to all data requests and reports. Jane was also responsible for Energy Information Administration reporting and quarterly reporting for Renewable Energy Credits.

Jane has served as a bridge between executive management and the compliance program, supporting sponsorship and communication. Throughout her career, she provided training and mentoring for compliance oversight and applicable standard specifics for all areas of generation facilities. She has extensive industry experience, including participating in industry forums with WECC, TRE, MRO, and NERC in addition to the Western Interconnection Compliance Forum.

## PROFESSIONAL EXPERIENCE

**SOS Intl | Charlotte, NC | 2018 – Present**  
*Compliance Advisor*

- Plan and perform compliance engagements including Mock Audits, Gap Analyses, policy review and development, and Entity Registration review
- Develop and implement entity Culture of Compliance documents and programs
- Lead investigation, development, and implementation of total client compliance program
- Write client policies, procedures, and guidelines to establish electrical utility compliance with NERC Standards

**Anozira Consultants LLC | May 2018 – Present**  
*President and Owner – women-owned small business*

- Writing and reviewing processes and procedures
- Auditing compliance records for satisfactory evidence
- Providing final report at the end of the engagement

**NRG Energy | 2017 – 2018**

- *NERC Compliance Specialist, Renewable Energy Operations & Maintenance*

**Anozira Consulting LLC | 2013 – 2017**

- *President/Principal Consultant*

**Arizona Public Service Company | 1986 – 2013**

- *Rate & Regulatory Advisor – Regulatory Compliance*
- *Co-Chair of NAESB E-Tariff Initiative*
- *Rate & Regulatory Advisor – Regulation, Policy & Analysis*
- *Short-term Trader*

## EDUCATION – CERTIFICATIONS – LICENSES

- Bachelor of Science: Business Administration – Arizona State University
- Associate of Arts – Glendale Community College, Glendale, AZ
- WICF Compliance Forum
- NAESB E-Tariff Initiative Co-Chair





# Wayne Lewis

## Advisor

Wayne Lewis has provided in depth consulting services for electric utilities, including NERC CIP compliance activities and audits. As NERC CIP consultant to NPCC, he serviced as Lead Auditor on various CIP audits. His responsibilities include reviewing data submittals and leading interviews for many of the CIP Standards. Wayne has participated in NERC CIP version 5 webinars and seminars and completed the NERC Audit Team Leader, Fundamentals of Auditing, FFT Training, NERC Gathering Quality Evidence, NERC Conducting Performance Audits, Critical Conversations, and NERC Compliance Investigations Process training.

In his more than 40 years of experience, Wayne has held a variety of responsibilities in the electric utility industry, most recently with Progress/Duke Energy overseeing all technology initiatives and support for the Transmission Operations and Planning departments. Wayne's experience also includes support for all engineering, construction, and maintenance tools such as AutoCAD, Microstation, and Project management. In addition, he facilitated development of a transmission technology strategy and plan for Progress Energy. Initiatives included substation and t-line condition health databases and the associated maintenance optimization.

Wayne currently provides electric utility advisory services in many utility operations and maintenance areas, including NERC and Regional Entity compliance.

### PROFESSIONAL EXPERIENCE

**SOS Intl** | Charlotte, NC | 2018 – Present  
*Compliance Advisor*

- Plan and perform compliance engagements including Mock Audits, Gap Analyses, policy review and development, and Entity Registration review
- Provide guidance, leadership, and support for CIP strategic initiatives
- Write client policies, procedures, and guidelines to establish electrical utility compliance with NERC Standards

**Lewis Energy Consultants, LLC** | Fuquay-Varina, NC | 2013-Present  
*President*

**Duke Energy/Progress Energy** | Charlotte, NC | 2007 – 2012

- *Director – Transmission Technology, Transmission Operations & Planning*

**Progress Energy/CP&L** | Charlotte, NC | 2000 – 2007

- *System Support, System Planning & Operations*

**Carolina Power & Light Company** | 1974 – 2000

- *Manager/Supervisor – Engineering and Database, System Operations*
- *Project Engineer, Join Project Services – System Planning & Operations*
- *Senior Engineer – System Operations*
- *Engineer – System Operations & Maintenance*

### EDUCATION – CERTIFICATIONS – LICENSES

- Masters: Electric Power Engineering – Rensselaer Polytechnic Institute, NY
- Bachelor of Science: Electric Engineering – NC State University, NC
- CP&L Management Institute, University of North Carolina at Chapel Hill
- Registered Professional Engineer (P.E.)
- Member, NATF – Modeling Practices Group
- Member, UNITE CIP Team Meeting
- Chairman, NERC Congestion Management Subcommittee
- SERC Market Interface Committee
- Chairman: NERC Market Interface Committee (1998 – present)
- Co-Chairman: JTSIN OASIS Management Committee (1998 – present)
- Member of the NERC Security Process Support System Taskforce (ERPI OASIS "HOW" Working Group)



# Muhammad Farid P.Eng M.Eng

## Advisor

Muhammad is an accomplished professional with utility experience advising senior utility managers to create sustainable growth in challenging environments. He is a result-oriented leader, highly skilled licensed Professional Engineer and Project Manager with international experience in utility business models.

Muhammad is a strong contributor who thoroughly understands the power utility business, governmental and non-governmental official dealings, new technology, and the importance of new innovations including, but not limited to solar, wind, and hydro energy.

In his most recent experience, Muhammed planned, directed, and reported on infrastructure and other construction project activities. He effectively developed project and risk management plans for medium to high risk and highly complex infrastructure or other construction projects with a capital budget of up to \$50 million.

### PROFESSIONAL EXPERIENCE

**SOS Intl | Charlotte, NC | 2021 – Present**

*Advisor*

- Manage multiple activities effectively such as quality assurance, engineering, stakeholder engagement, communication, regulatory approvals, procurement, planning and controls, construction management pre-commissioning, employee relations, and safety using project management principles and establishing standards for implementation.
- Complete project management activities including scoping, planning, managing, monitoring, and reporting on project tasks.
- Establish project plans, standards for implementation, and monitoring using analytics, project management practices and procedures to optimize project resources.

**BC Hydro | 2015-2021**

*Program Management-Consultant (T&D Program & Contract Management)*

**Manitoba Hydro International (Power Utility)**

- Client: Saudi Electric Company (SEC)  
**Power system expert (T&D)**
- Client: Guyana Power & Light Company  
**Expert/Advisor (T&D)**
- Client: Transmission Company of Nigeria (TCN)  
**Executive Project Director**

**BBE/SES Engineering/Stantec/Coho's' Evamy | Canada | 2007-2014**

- Client: Manitoba Hydro/Fortis Alberta/BC Hydro (Various Projects)  
**Engineering Expert /Senior Project Manager (T&D, Oil & Gas)**

**Federal Managed Area AJ&K (Power Utility) | Pakistan | 1992-2003**

- Client: WAPDA (Water & Power Development Authority)  
**Executive Engineer (Public Utility (T&D))**

### EDUCATION – CERTIFICATIONS – LICENSES

- Master's Degree: Electrical Engineering – Concordia University, Montreal, Canada
- Bachelor's: Electrical Engineering – UET, Lahore, Pakistan
- Certificate in Project Management: SAIT – Calgary, AB Canada
- Certificate Corporate Readiness Program: Management – Bow Valley, Calgary, AB Canada





## Denton Municipal Electric

901-B Texas St  
Denton, TX 76209

---

### RFQ-7693 NERC Compliance Program Gap Analysis and Mitigation - References

May 17, 2021

Company Contact: Christa Christian, Compliance and Procurement  
Email: [christa.christian@cityofdenton.com](mailto:christa.christian@cityofdenton.com)

**SOS Intl** 10715 Sikes Place, Suite 114, Charlotte NC 28277-8175  
704-752-3534 Fax 704-752.6455 [www.sosintl.com](http://www.sosintl.com)

**NERC**  
NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

SOS Intl and NERC ID SOS\_INTL\_001 is recognized by the North American Electric Reliability Corporation as a continuing education provider who adheres to NERC Continuing Education Program Criteria.



## REFERENCES

Formosa Utility Venture	
<b>Services</b>	Gap Analysis, Developed a Pre-Commissioning Checklist and ongoing services
<b>Registration</b>	GO, GOP
<b>Region</b>	TRE
<b>Contact</b>	Nick Brito, Compliance Manager
<b>Phone</b>	361-987-7127
<b>Email</b>	<a href="mailto:nbrito@ftpc.fpcusa.com">nbrito@ftpc.fpcusa.com</a>

United States International Boundary Water Commission	
<b>Services</b>	Gap Analysis, Mock Audit, CIP Training, Compliance Services, De-registration
<b>Registration</b>	GO, GOP
<b>Region</b>	TRE
<b>Contact</b>	Edi Delgado
<b>Phone</b>	956-848-5265
<b>Email</b>	<a href="mailto:Edi.delgado@ibwc.gov">Edi.delgado@ibwc.gov</a>

GridLiance	
<b>Services</b>	Ongoing Compliance Advisory Services, Operating Manual Development, Mock Audit
<b>Registration</b>	TO, TP, TOP, BA, PA
<b>Region</b>	All regions
<b>Contact</b>	Trent Carlson
<b>Phone</b>	832-981-0101
<b>Email</b>	<a href="mailto:tcarlson@gridliance.com">tcarlson@gridliance.com</a>

City of Tallahassee	
<b>Services</b>	NERC Readiness Assessment and Gap Analysis
<b>Registration</b>	BA, DP, GO, GOP, PA, RP, TO, TOP, TP, TSP
<b>Region</b>	SERC
<b>Contact</b>	Karen Webb, Compliance Manager
<b>Phone</b>	850-891-3125
<b>Email</b>	<a href="mailto:karen.webb@talgov.com">karen.webb@talgov.com</a>

Kissimmee Utility Authority	
<b>Services</b>	Gap Analysis and Audit Prep Support
<b>Registration</b>	DP, TO, TOP
<b>Region</b>	SERC
<b>Contact</b>	Michael Wagner
<b>Phone</b>	407-933-9828
<b>Email</b>	<a href="mailto:mwagner@kua.com">mwagner@kua.com</a>

Dominion Energy of South Carolina	
<b>Services</b>	Gap Analysis and Gap Analysis
<b>Registration</b>	BA, DP, GO, GOP, PA, RP, RSG, TO, TOP, TP, TSP
<b>Region</b>	SERC
<b>Contact</b>	Steven Belle
<b>Phone</b>	803-217-1978

## Attachment B Compensation



## Denton Municipal Electric

901-B Texas St  
Denton, TX 76209

---

### RFQ-7693 NERC Compliance Program Gap Analysis and Mitigation – Pricing Proposal

September 21, 2021

Company Contact: Christa Christian, Compliance and Procurement  
Email: [christa.christian@cityofdenton.com](mailto:christa.christian@cityofdenton.com)

HSI Workplace Compliance Solutions Inc. 333 West Canal Dr. Kennewick, WA 99336  
704-752-3534 Fax 704-752.6455 [www.sosintl.com](http://www.sosintl.com)



SOS Intl and NERC ID SOS\_INTL\_001 is recognized by the North American Electric Reliability Corporation as a continuing education provider who adheres to NERC Continuing Education Program Criteria.

---

## PROJECT SUMMARY

The purpose of this proposal is for SOS Intl (SOS), an HSI company, to provide assistance to Denton Municipal Electric (DME) by conducting an Operations and Planning (693) and Cyber Infrastructure Protection (CIP) Gap Analysis to evaluate their compliance with selected NERC standards applicable to DME per their functional registrations for Phase 1. The gap analysis is targeted to be completed by December 31, 2021 in anticipation of a Texas Reliability Entity (TRE) compliance audit in early 2022. Phase 2 of this project will be to provide audit support during the TRE audit as requested by DME.

DME is registered with NERC as a Distribution Provider (DP), Generator Owner (GO), Generator Operator (GOP), Transmission Owner (TO), Transmission Operator (TOP), and Transmission Planner (TP) and has a medium impact control center and one low impact site.

---

## UNDERSTANDING OF PROJECT AND PROJECT REQUIREMENTS

This proposal will ensure DME maintains a robust NERC Compliance Program. DME is seeking to engage SOS to assist DME NERC Compliance staff with the following activities:

### Phase I

- Conduct an analysis of DME's compliance program documents, policies, processes and plans in the areas of DP, GO, GOP, TO, TOP, and TP in comparison with the NERC requirements to assess if DME's program sufficiently addresses them. Identify areas of DME's program that may be deficient.
- If any deficiencies are identified, create new or amended program language that will mitigate the found deficiencies and assist in identifying evidence that would satisfy the mitigated language
- For program areas with insufficient methodologies or are not in line with general industry practice, identify these areas and suggest alternate program methods and/or language
- Review and assess evidence generated by the current program for completeness and identify areas where augmentation (if possible) would be beneficial

### Phase II

- Assist with the start of the TRE audit
- Assist with the evaluation of inquiries from the audit team and provide a strategic approach to responding with the goal to achieve the best possible results

The work product will be delivered in Microsoft Word and/or Excel. Documents will be clear and concise and geared to the Subject Matter Expert responsible for executing the task required by NERC. Documents will reference the NERC requirement it is intended to satisfy. The following deliverables have been identified:

- Documented list of programs areas identified as potentially deficient by NERC requirement
- New alternative program language that will reasonably address the deficiencies
- Documented areas that may not have a compliance issue, but are concerning due to poor or outdated methodology, and suggest language to correct
- List of reviewed evidence from existing program, with a grading as to its application to the given standard it is being applied to, and its potential value as evidence for other standards
- List of examples of augmenting evidence to further bolster a successful audit, if possible and permissible for DME to produce

The SOS advisory services team has in-depth knowledge and extensive practical experience in the utility industry. Our team has performed the work outlined in this RFQ for many utilities throughout the U.S. and Canada. SOS can provide a full-service solution to meet the needs for DME's NERC compliance program.

## DETAILED COST PROPOSAL

The following estimates are based on prior advisory engagements of similar scope and size. SOS will develop a rigorous project plan to complete the work on time. If the SOW changes during the engagement, SOS will notify DME within a reasonable time. SOS will document travel and miscellaneous expenses and bill actual travel and miscellaneous expenses at the end of the engagement. For on-site compliance assistance, travel time will be charged at a rate of ½ day (4 hours) to and ½ day (4 hours) return (total of 8 hours) for each trip to a DME facility. The detailed costs are listed in the charts below.

Services will be at an hourly time and materials rate for a two-year contract term.

Compliance Advisor rate: \$200/hour

### PHASE I

693 Gap Analysis – DP, GO, GOP, TO, TOP, TP		
Task Description	Hours	Cost
Kickoff call and document request and management	24	\$4,800
Off-site RSAW and evidence review	150	\$30,000
Draft and Final Reports	40	\$8,000
Implementation of recommendations	TBD	T&M rate
Estimated Total		\$42,800

CIP Gap Analysis (1 low impact site and 1 medium impact site)		
Task Description	Hours	Cost
Kickoff call and document request and management	8	\$1,600
Off-site and On-site RSAW and evidence review	120	\$24,000
Draft and Final Reports	32	\$6,400
On site 2 days, 2 advisors	32	\$6,400
Travel time, 2 advisors	16	\$3,200
Implementation of recommendations	TBD	T&M rate
Estimated Total plus actual travel expenses		\$41,600

### PHASE II

TRE Audit Support		
Task Description	Hours	Cost
Assistance with TRE audit support	TBD	T&M rate

## PROJECT ESTIMATE/CHANGE

The above estimate is determined by our understanding of the nature and scope of the work based on prior consulting engagements of similar scope and size. The estimate may change as the project progresses and the nature or scope of the work changes.

For SOS to perform the work on time and on schedule, DME shall perform the following key responsibilities:

- Provide client business knowledge, as needed, in the requested timeframe
- Provide additional information and documentation as requested by SOS
- Provide access to client premises and infrastructure facilities for project use, as required
- Identify and make available key client personnel – relationship managers, project managers, etc. – to ensure smooth project execution and resolve any questions or issues
- Participate in regularly scheduled project status meetings to coordinate the delivery schedule and target key completion dates as needed
- Accommodate SOS personnel on-site at client premises, as needed, with office space and access to power and Internet services

Our ability to complete the project in a timely manner is contingent on the client's performance of their key responsibilities. If DME fails or delays in performing their obligations or making resources available to SOS, it may affect the proposed timeline for completing the project and both parties will equitably adjust the timeline.

Once the contract is executed and delivery dates are determined, SOS will make all reasonable efforts to maintain the schedule. If, in the course of performing the work, the SOS consulting team determines that additional time beyond this estimate will be required to perform the work, SOS will notify the client and adjust the project scope and/or budget via a change order.

## BILLING TERMS

SOS will invoice the client on a monthly basis for personnel time incurred in the prior month. SOS will bill actual travel and miscellaneous expenses as incurred. DME will pay all invoiced amounts within 30 days of the invoice date.

---

## CONCLUSION

SOS is a quality-focused company, with an experienced and industry-savvy team capable of providing the best advisory services for a reasonable price. With our company's focus on providing the best in customer service, DME will receive personal attention centered on providing the services requested in the most efficient and effective ways possible. SOS is ready to serve you needs and looks forward to collaborating on this exciting project.

Sincerely,



Kathy Cross  
Account Manager  
HSI Workplace Compliance Solutions, Inc.

## ATTACHMENT D

## CONFLICT OF INTEREST QUESTIONNAIRE

**CONFLICT OF INTEREST QUESTIONNAIRE -****FORM CIQ****For vendor or other person doing business with local governmental entity****This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.**

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**1 Name of vendor who has a business relationship with local governmental entity.****HSI Workplace Compliance Solutions, Inc.****2 ☐ Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7<sup>th</sup> business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

**3 Name of local government officer about whom the information in this section is being disclosed.****Christa Christian**\_\_\_\_\_  
Name of Officer

This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

☐

Yes

☒

No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐

Yes

☒

No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

☐

Yes

☒

No

D. Describe each employment or business and family relationship with the local government officer named in this section.

**4 ☒ I have no Conflict of Interest to disclose.****5 5/5/2021**\_\_\_\_\_  
Signature of vendor doing business with the governmental entity\_\_\_\_\_  
Date





**Certificate Of Completion**

Envelope Id: 4539EB459E8D436D9CF19944D30C8EB5

Status: Completed

Subject: Please DocuSign: City Council Contract 7693 - NERC Compliance Audit

Source Envelope:

Document Pages: 46

Signatures: 5

Envelope Originator:

Certificate Pages: 6

Initials: 1

Christa Christian

AutoNav: Enabled

901B Texas Street

Enveloped Stamping: Enabled

Denton, TX 76209

Time Zone: (UTC-06:00) Central Time (US &amp; Canada)

Christa.Christian@cityofdenton.com

IP Address: 198.49.140.104

**Record Tracking**

Status: Original

Holder: Christa Christian

Location: DocuSign

10/5/2021 9:58:19 AM

Christa.Christian@cityofdenton.com

**Signer Events****Signature****Timestamp**

Christa Christian

**Completed**

Sent: 10/7/2021 9:38:18 AM

christa.christian@cityofdenton.com

Viewed: 10/7/2021 9:39:46 AM

Senior Buyer

Signed: 10/7/2021 9:40:48 AM

City of Denton

Using IP Address: 198.49.140.104

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Lori Hewell



Sent: 10/7/2021 9:40:51 AM

lori.hewell@cityofdenton.com

Viewed: 10/7/2021 2:41:07 PM

Purchasing Manager

Signed: 10/7/2021 2:42:38 PM

City of Denton

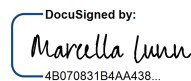
Signature Adoption: Pre-selected Style

Security Level: Email, Account Authentication  
(None)

Using IP Address: 198.49.140.104

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Marcella Lunn



Sent: 10/7/2021 2:42:40 PM

marcella.lunn@cityofdenton.com

Viewed: 10/12/2021 2:44:14 PM

Catherine Clifton, Interim City Attorney

Signed: 10/12/2021 2:51:02 PM

City of Denton

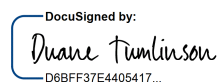
Signature Adoption: Pre-selected Style

Security Level: Email, Account Authentication  
(None)

Using IP Address: 198.49.140.104

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Duane Tumlinson



Sent: 10/12/2021 2:51:04 PM

dtumlinson@hsi.com

Viewed: 10/12/2021 4:13:59 PM

VP - Sales Operations

Signed: 10/12/2021 4:14:48 PM

HSI

Signature Adoption: Pre-selected Style


Security Level: Email, Account Authentication  
(None)

Using IP Address: 71.95.114.167

**Electronic Record and Signature Disclosure:**

Accepted: 10/12/2021 4:13:59 PM

ID: f22d554d-c856-4a29-a680-7d7e7cb4ff08

Signer Events	Signature	Timestamp
Antonio Puente Antonio.Puente@cityofdenton.com DME General Manager Security Level: Email, Account Authentication (None)	DocuSigned by:  E3760944C2BF4B5...  Signature Adoption: Pre-selected Style Using IP Address: 47.184.110.241	Sent: 10/12/2021 4:14:52 PM Viewed: 10/12/2021 4:44:49 PM Signed: 10/12/2021 4:45:11 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 10/12/2021 4:44:49 PM  
ID: dfe0a6ca-618e-4510-8ed7-66ed6e72a1fe

Cheyenne Defee  
cheyenne.defee@cityofdenton.com  
Contract Administrator  
City of Denton

**Completed**  
  
Using IP Address: 198.49.140.104

Sent: 10/12/2021 4:45:13 PM  
Viewed: 11/3/2021 7:50:32 AM  
Signed: 11/3/2021 7:51:09 AM

Security Level: Email, Account Authentication (None)

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Sara Hensley  
sara.hensley@cityofdenton.com  
Interim City Manager  
City of Denton

DocuSigned by:  
  
5236DB296270423...  
  
Signature Adoption: Pre-selected Style  
Using IP Address: 198.49.140.10

Sent: 11/3/2021 7:51:11 AM  
Viewed: 11/3/2021 7:51:47 AM  
Signed: 11/3/2021 7:51:52 AM

Security Level: Email, Account Authentication (None)

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Rosa Rios  
rosa.rios@cityofdenton.com  
City Secretary

DocuSigned by:  
  
1C5CA8C5E175493...  
  
Signature Adoption: Pre-selected Style  
Using IP Address: 198.49.140.104

Sent: 11/3/2021 7:51:55 AM  
Viewed: 11/3/2021 11:10:40 AM  
Signed: 11/3/2021 11:11:51 AM

Security Level: Email, Account Authentication (None)

**Electronic Record and Signature Disclosure:**  
Accepted: 11/3/2021 11:10:40 AM  
ID: 1596fa62-a1ef-4174-9284-8b6a53bc3c2a

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Cheyenne Defee  
cheyenne.defee@cityofdenton.com  
Contract Administrator  
City of Denton  
Security Level: Email, Account Authentication (None)

**COPIED**

Sent: 10/7/2021 9:40:51 AM

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 10/12/2021 4:45:14 PM Viewed: 10/13/2021 9:15:34 AM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 11/3/2021 11:11:54 AM
Smith Day smith.day@cityofdenton.com Ex. Mgr. Regulatory & Risk Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Accepted: 11/3/2021 11:09:44 AM ID: ca19b22b-499f-4f97-a7d6-ce5f267b40be	COPIED	Sent: 11/3/2021 11:11:56 AM Viewed: 11/3/2021 11:16:14 AM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	10/7/2021 9:38:18 AM
Certified Delivered	Security Checked	11/3/2021 11:10:40 AM
Signing Complete	Security Checked	11/3/2021 11:11:51 AM
Completed	Security Checked	11/3/2021 11:11:56 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

**How to contact City of Denton:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [purchasing@cityofdenton.com](mailto:purchasing@cityofdenton.com)

**To advise City of Denton of your new e-mail address**

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at [melissa.kraft@cityofdenton.com](mailto:melissa.kraft@cityofdenton.com) and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

**To request paper copies from City of Denton**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to [purchasing@cityofdenton.com](mailto:purchasing@cityofdenton.com) and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with City of Denton**

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to [purchasing@cityofdenton.com](mailto:purchasing@cityofdenton.com) and in the body of such request you must state your e-mail, full name, US Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

**Required hardware and software**

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"><li>•Allow per session cookies</li><li>•Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection</li></ul>

\*\* These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

**Acknowledging your access and consent to receive materials electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.